



August 12, 2005

Johnston man is sentenced to 27 months in prison for tax fraud

A federal judge in Providence today sentenced **Rocco P. DeSimone**, of Johnston, to 27 months in prison for filing a false tax return. In March a jury found DeSimone guilty of fraudulently claiming income from the sale of art as a long-term capital gain rather than ordinary income.

United States Attorney Robert Clark Corrente announced the sentence, which U.S. District Court Judge William E. Smith imposed in U.S. District Court, Providence. Judge Smith also fined DeSimone \$100,000 and ordered him to pay all income taxes due, as determined by the IRS.

During a five-day trial in March, Assistant U.S. Attorneys Luis M. Matos and Dulce Donovan presented evidence that, in 1999, DeSimone brokered the sale of three paintings for \$8.3 million – “Canal at Zaandam,” by Claude Monet, for \$4.65 million, “Les Mouettes,” by Henri Matisse, for \$650,000, and “Jeune Fille Blonde,” by Pierre Auguste Renoir, for \$3,000,000.

The government presented evidence that DeSimone told the owner of “Canal at Zaandam,” that he’d sold it for \$2.7 million rather than \$4.65 million. He kept for himself about \$1.7 million – most of the difference between the actual sale price and the price he reported to the owner.

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The government presented evidence that, on his 1999 income tax return, DeSimone reported only \$1,000,000 of that income, omitting approximately \$722,000. He also falsely claimed that he'd owned the painting for more than a year, claiming the \$1,000,000 as a long-term capital gain rather than ordinary income, which is taxed at a higher rate.

Judge Smith determined today that DeSimone avoided paying between \$200,000 and \$325,000 in taxes through the false tax return. He ordered DeSimone, 52, of 103 Hopkins Avenue, to report to prison on September 26.

The **Internal Revenue Service, Criminal Investigation**, and the **Federal Bureau of Investigation** investigated the case. Assistant U.S. Attorneys Matos and Donovan prosecuted it.

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